

## **Hambleton District Council**

**Report To:** Council

**Date:** 16 August 2022

**From:** Deputy Chief Executive

**Subject:** **Appointment of Section 151 Officer – Management Team  
Restructure of Responsibilities**

**Wards Affected:** All Wards

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### **1.0 Purpose and Background**

- 1.1 This purpose of this report is to seek approval for the appointment of the Chief Executive (Head of Paid Service) to the role of Section 151 Officer until 31 March 2023 and for the reallocation of the wider non-section 151 functions of the Director of Finance and Commercial.
- 1.2 The Council is legally required to appoint three ‘statutory’ officers. These are the Head of Paid Service (the Council’s Chief Executive), the Monitoring Officer (currently the Director of Law and Governance) and the Section 151 Officer/Chief Finance Officer (currently the Director of Finance and Commercial). The Section 151 Officer is responsible for, amongst other things, the proper administration of the Council’s financial affairs and is required to be a suitably qualified and experienced individual holding a recognised professional accountancy qualification.
- 1.3 The Council’s most recent Director of Finance left the organisation in August 2021. Due to uncertainties at that time surrounding Local Government Reorganisation (and its likely impact on the ability to recruit a suitable permanent replacement) the Council on 27 July 2021 agreed to appoint through a recruitment agency an external interim Section 151 Officer/Director of Finance for three days per week for a period of up to twelve months (minute C.8 refers). The “value for money” of this arrangement was to be kept under review. The decision was considered at that time to be the most practical way of filling the role pending a decision on Local Government Reorganisation and also allowed the Council suitable flexibility should alternative arrangements be necessary or preferable, not least in ensuring continued value for money for the Council.
- 1.4 The agreement with the recruitment agency for the provision of external Section 151 support expired on 29 July 2022. The Council is asked to approve alternative arrangements. This requires the appointment of a suitably qualified ‘officer’ to fulfil the Section 151 role. Given there is only seven months left before the Council is abolished, the fact that the Council has set its budgets for the financial year, and that this Council will not be setting its revenue budget, capital programme or council tax for 2023/24, it is considered that the additional expense of recruiting further external Section 151 support cannot be justified in the context of best value. It is proposed therefore that the Section 151 role be undertaken by an existing officer of the Council until 31 March 2023.

- 1.5 Having spoken to relevant staff it has become apparent that the Chief Executive is the only suitably qualified and experienced officer who is able to undertake the Section 151 role. Although there is no legal impediment to the Head of Paid Service (Chief Executive) also undertaking the section 151 role, it would not under normal circumstances be a recommended course of action. This is because the three statutory officers have distinct and independent roles and form a triumvirate to ensure probity and good governance. However, given the exceptional circumstances arising from the current transition to single-tier local government in North Yorkshire, the limited time left to the Council, and the reduction in the financial work required before dissolution on 31 March 2023 it is an approach which Council is asked to consider and endorse.
- 1.6 In proposing to appoint the Chief Executive as the Section 151 officer, consideration has been given to possible impacts upon good governance, the dilution of the leadership capacity of the Council, and the ability to discharge effectively the Section 151 responsibilities and those of the Head of Paid Service. Nevertheless, in the time left to the Council it is considered that these matters can be properly addressed, and that the proposal presents a practical and the most cost-effective way of ensuring both roles are delivered effectively.
- 1.7 The Chief Executive is aware of the distinct obligations of both roles and is satisfied he can discharge the respective functions until 31 March 2023. If it is considered that additional checks and balances are required on any particular matter to ensure the respective statutory responsibilities are appropriately discharged, or in the event that the Chief Executive may be considered to have a sufficient conflict of interest in any specific matter, then independent external advice will be sought to mitigate any possible risk and ensure both that he can discharge his statutory responsibilities guided by such advice and likewise the Council can benefit from such advice in exercising its functions. It is proposed in these circumstances that authority is delegated to the Deputy Chief Executive to arrange and commission such support.
- 1.8 As well as designating the Chief Executive as Section 151 officer, there is a need to reallocate the other responsibilities of the Director of Finance and Commercial. This is to ensure there is appropriate Management Team support and supervision of those functions. Some of these responsibilities had already been moved to other officers on the appointment of the interim S151/Director of Finance in July 2021. It is proposed that the Chief Executive is authorised to allocate the remaining services amongst the Council's senior management team.

## **2.0 Link to Council Priorities**

- 2.1 Sound financial management is a key which runs through all the Council's priorities.

## **3.0 Legal Implications**

- 3.1 Under Section 151 of the Local Government Act 1972, every local authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

#### **4.0 Financial Implications**

4.1 There are no financial implications associated with this report as the relevant functions (section 151 and non-section 151) will be subsumed by existing senior officers.

#### **5.0 Risk Assessment**

5.1 There are no significant risks associated with this report.

#### **6.0 Equalities/Diversity Issues**

6.1 There are no equalities or diversity issues associated with this report.

#### **7.0 Recommendation**

7.1 It is recommended to Council that:-

- (1) The Chief Executive is appointed as Section 151 Officer until 31 March 2023.
- (2) Authority is delegated to the Deputy Chief Executive to commission independent external advice and support, in the event that the Chief Executive acting as Head of Paid Service and/or Section 151 Officer may be considered to have a conflict of interest on the basis described in this report.
- (3) The Chief Executive is authorised to allocate any remaining services of the Director of Finance and Commercial amongst the senior management team.

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**Background papers:** None

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